VZCZCXYZ0048 OO RUEHWEB

DE RUEHKT #2703 2851223 ZNY CCCCC ZZH O 121223Z OCT 06 FM AMEMBASSY KATHMANDU TO RUEHC/SECSTATE WASHDC IMMEDIATE 3414 INFO RUEHBJ/AMEMBASSY BEIJING PRIORITY 4856 RUEHLM/AMEMBASSY COLOMBO PRIORITY 5094 RUEHKA/AMEMBASSY DHAKA PRIORITY 0242 RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 3089 RUEHLO/AMEMBASSY LONDON PRIORITY 4485 RUEHNE/AMEMBASSY NEW DELHI PRIORITY 0331 RUEAIIA/CIA WASHDC PRIORITY RHEHNSC/NSC WASHDC PRIORITY RHEFDIA/DIA WASHDC PRIORITY RUEKJCS/SECDEF WASHDC PRIORITY RHHMUNA/CDR USPACOM HONOLULU HI PRIORITY

C O N F I D E N T I A L KATHMANDU 002703

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E.O. 12958: DECL: 10/12/2016

TAGS: PGOV PTER NP

SUBJECT: PEACE TALKS POSTPONED UNTIL OCTOBER 15

REF: A. KATHMANDU 2700

¶B. KATHMANDU 2680

Classified By: Charge d'Affaires Nicholas Dean. Reasons 1.4 (b/d).

TALKS SUSPENDED AFTER BRIEF THIRD DAY OF DISCUSSION

11. (C) After a third day of peace talks on October 12, Seven-Party Alliance (SPA) and Maoist leaders have decided to postpone peace talks until October 15. The leaders met for less than two hours during the afternoon of October 12 before deciding to continue the talks at a later date. Arjun Narsingh K.C., Central Committee Member of the Nepali Congress (NC), told Emboff that the NC had pressed to resolve the arms management issue and acknowledged that some progress had been made, but did not elaborate on details. Dr. Prakash Sharan Mahat, Central Committee Member of the Nepali Congress-Democratic (NC-D) and member of the Government of Nepal's (GON) negotiating team, explained to Emboff that a resolution to all the pressing issues (reftels) would come in a package. He said that until a full package resolution was agreed on, he could not disclose any details of today's discussions. Mahat acknowledged, however, that some progress had been made. Dev Gurung, a member of the Maoist negotiating team, said that new issues came up during today's discussions and SPA leaders needed more time to discuss these issues.

COMMENT

12. (C) Maoist spin was intended to suggest that postponement of talks was more a result of the GON's desire for extra time to discuss issues than the Maoists' need to do the same. Regardless, consensus is that progress in the talks was positive and will continue after a two-day pause for huddling. While it is welcome that the Maoists remain eager to keep the talks going, the main question remains whether or not the GON will hold firm on arms management. For now, many Nepalis are optimistic and hopeful that talks will bring a much desired peace. We will continue to stress unity among the SPA and the importance of arms management in the ongoing talks.

DEAN